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REPORT
OF THE
DEFENSE PANEL ON INTELLIGENCE

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FOREWORD

The Defense Panel on Intelligence was established by the Deputy Secretary of Defense in the interest of improving intelligence responsiveness to the needs of the Secretary of Defense and other principal Defense users.

The Panel consisted of 10 distinguished individuals drawn from outside the intelligence community; they were supplemented by four ex-officio members who provided special expertise and assistance. The Honorable Elliot L. Richardson participated as a consultant. Four formal meetings were held and between sessions several sub-groups examined specific areas of interest in greater depth. The ex-officio members participated fully in all Panel deliberations, although the final report was drafted by the main Panel and represents its views.

Due to the breadth and complexity of the subject and the constraints of time, the Panel decided to narrow the scope of its consideration and focus on those areas of Defense intelligence which they considered of most direct interest to the Secretary of Defense at this time. As a consequence, the Panel gave particular attention to the means of improving the substantive intelligence support to the Secretary of Defense and the steps required to enhance the professionalism of Defense intelligence analysts.

The summary report discusses these and other aspects of Defense intelligence and provides specific recommendations for actions which are believed to be feasible and within the authority of the Secretary. The summary and recommendations represent an almost unanimous consensus of the Panel. All members participated fully in their drafting and each reviewed and provided comments on several drafts.

Also included are papers providing the views of various Panel members in support of the summary and recommendations as well as commenting on other areas of Defense intelligence of concern to them.

Albert C. Hall

MEMBERS

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General Donald V. Bennett, USA (Ret)

Mr. George M. Bunker
Chairman of the Board
Martin Marietta Corporation

Dr. Edward E. David, Jr.
Executive Vice President
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Dr. Alexander H. Flax
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Dr. David S. Lewis
Chairman and Chief Executive Officer
General Dynamics Corporation

Dr. R. F. Mettler
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Dr. William J. Perry
President
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Honorable Thomas C. Reed
Director, Telecommunications and
Command and Control Systems

Vice Admiral David C. Richardson, USN (Ret)

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Mr. William Beecher
Acting Assistant Secretary of Defense (Public Affairs)

Honorable J. Fred Buzhardt

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Director, Defense Intelligence Agency

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- J. Paper provided by
Vice Admiral David C. Richardson, USN (Ret)

SUMMARY STATEMENT AND RECOMMENDATIONS

Report of the Defense Panel on Intelligence to the Deputy Secretary of Defense

In your charge to the Panel, attached as Tab B, you asked for our evaluation from a management perspective, of the state of health of DoD intelligence. In particular you asked us to evaluate the actions taken since the report of the Blue Ribbon Defense Panel, to provide you our views on the effectiveness of the present intelligence structure, to consider the size and scope of DoD intelligence relative to current needs and to submit to you recommendations on feasible means for improving the effectiveness or efficiency of the intelligence function.

The Panel reviewed the principal intelligence programs in the Department of Defense to illuminate their interrelationships and the mechanisms for their control. However, to be responsive, within the time constraints imposed, to the particular concerns expressed by the Deputy Secretary of Defense the Panel narrowed its considerations to areas it deemed particularly important with respect to the responsiveness and quality of intelligence to the Secretary of Defense's needs. In addition, a more general review was made of several related areas including management interfaces between various DoD intelligence agencies' overall size, scope and effectiveness of the effort, and relationships and mutual support among Government intelligence agencies. The Panel's examination of these related areas led us to the conviction that certain additional studies should be conducted in much more depth than was possible here, and we make specific recommendations on these.

I. Support to the Secretary of Defense and the Deputy Secretary

We are concerned over the degree and quality of communication between the producer of intelligence in the DoD and the senior users. The problem of communicating the final output of intelligence efforts and their significance is vexing.

The conventional means of intelligence support -- formal briefings, memoranda, studies -- are not adequate to supply fully relevant intelligence support nor to create confidence in its content. Too often briefings may be encumbered by details that may be fascinating but do not lead to conclusions in matters of significance.

As we perceive it the Secretary of Defense and the Deputy Secretary of Defense are concerned with issues of which intelligence is a part but which involve in a major way other information and other considerations. We are told that in a majority of the cases in which dissatisfaction with the intelligence product is expressed there are strong political issues -- issues in which ISA is or should be involved. ISA has, of course, sources of information other than DIA that contribute to the total assessment of a situation and we suggest that means should be found for strengthening the ISA interface with the intelligence community to insure inclusion of appropriate intelligence factors. These issues are best treated with the Secretary or Deputy Secretary by ISA. The key objective should be to integrate all factors into a coherent form for consideration by the Secretary.

In our view it is essential to ensure meaningful two-way communication between the Secretary of Defense and Deputy Secretary of Defense and the Director, DIA if he is to be their principal substantive intelligence adviser. Briefings to the Secretary should be the personal responsibility of the DoD senior intelligence officer and on questions in which the Director is not personally expert, we would encourage the presence of the senior specialist in the pertinent area. In this respect, the move by the Director, DIA to establish top staff specialists (termed Defense Intelligence Officers) in pertinent intelligence areas, should prove helpful.

Communication with the top decision makers should be structured to inform them of what they want to know combined with what they ought to know. As a general rule those who have first hand knowledge and have themselves played important roles in determining the significance of the material under consideration should be involved in the briefings. Some Panel members feel it would be helpful if the Director, DIA were present when OSD principals participate in interagency matters involving substantive intelligence.

For this intelligence support to be effective, the Secretary and Deputy Secretary must understand the necessity of this dialogue and must take responsibility for creation of the environment necessary for effective communication. The Director, DIA needs guidance from his senior users because they alone know to what points of intelligence their decisions and actions are sensitive, and because they have information, not available to others, which shapes the need for specific intelligence support. While it may not always be appropriate

for them to disclose this information, they can, by questions and comments, guide the intelligence officer to effective and responsive support. There must be a pull from the Secretary as well as a push from the intelligence officer.

The Panel considered the matter of liaison between the Secretary and Deputy Secretary and the intelligence community. Some Panel members felt that the appointment of a specific intelligence liaison officer charged with the full-time support of the Secretary and Deputy Secretary would prove to be very helpful. Another suggestion was that the functions and staffing of the National Military Intelligence Center should be specifically reviewed to ensure that that operation is configured to support the Secretary, Deputy Secretary and ISA in a responsive, detailed, and flexible manner.

However, we emphasize that the professionalism of the intelligence production process must be improved substantially and this improvement, as disclosed below, is an essential prerequisite to an effective dialogue.

RECOMMENDATION

We recommend that the Secretary and Deputy Secretary and the Director, DIA in their respective capacities seek means of establishing a regular effective dialogue on substantive intelligence issues of current concern.

We recommend that the ASD(ISA) and the Director, DIA establish procedures to insure more effective support of ISA by the intelligence community and to provide for the appropriate highlighting to pivotal intelligence matters on issues brought by ISA to the Secretary of Defense.

II. The Structure of Effective Intelligence Support -- Professionalism and that Required to Enhance It

If the intelligence community is to do more than produce material for its own use, it is necessary that its outputs be presented clearly and relevantly to those who may be able to use them. The problem is most critical with respect to those users, or potential users, at the highest levels of Government since they must base their decisions on an adequate appreciation of what is or may be at stake in the broadest national and international context. The present system more often than not fails to make clear the essentials of what is in an intelligence estimate or assessment, on what it is based, and what degree of uncertainty is attached to it.

The following points are illustrations of the kinds of highly relevant information which is often lacking in intelligence reports, estimates and assessments.

Character of inputs - Are they independently derived from new data, drawn from recent assessment by others, or mainly deduced from files and "finished" intelligence reports of long standing? What are the recent changes reflected in them and what do these changes portend? How reliable are the inputs? Is there divergence of opinion concerning the inputs among elements of the intelligence organization?

Analysis - Given the inputs and uncertainties, what was the analytical process used? What were the areas of expertise included in the analytical team (e.g., regional political, military, regional economic)? To what degree were analysts in touch with and influenced by other analytical teams dealing with the same subject? What input uncertainties had the greatest degree of influence on the analysis? What factors of which the analytical team was aware, were not taken into account or updated in the analysis? Why?

Results, Findings, Conclusions - How certain are these? Within the reasonable limits of error and tolerance in the inputs and the analytical process itself, what are considered the most likely case, the best case and the worst case which could be forecast? What options exist for the other side which depend on actions we or third parties might yet take? What answers to these questions have been arrived at separately or collectively by other analytical teams?

Obviously not all of these issues and questions need to be discussed or highlighted with respect to every intelligence report, estimate and assessment, but the key issues do need to be brought out. For example, a key military issue in the Middle East War of 1973 was the change in morale, resolve, training, leadership and competence of Arab military forces and yet the assumption had been made by the "community" that these had not changed, and indeed, could not change for almost a generation. Hence, this issue was not critically assessed in what was presented.

The primary function of management of intelligence analysis should not be to attempt to second guess analytical specialists in their own areas of expertise (although checks and balances by other analytical specialists should be provided); rather the managerial role should emphasize the information transfer process to the users, which would include the ferreting out and highlighting of the uncertainties, key unresolved questions and the degree of freedom still left in the situation dependent on our (or third party) actions, policies and pronouncements.

We believe that analyst professionalism has become of critical importance in the success or failure of intelligence support. This is so because today we no longer have access to large amounts of unambiguous intelligence -- such as, for

example, the volume of high grade available during World War II -- and instead, must depend on inferential evidence. The task of interpretation has thus become more difficult, and now demands a superior level of professionalism.

In order to attract and retain superior analysts (and this applies nearly as well to officer analysts as to the civilian professionals at whom those comments are directed) we obviously must offer a clear opportunity to perform a useful function in a reasonable place to live and work, with visible opportunity for advancement. We must also provide the leadership whom the analyst can respect professionally (and to whose level he can aspire) and a stimulating and challenging environment.

A key aspect of analyst professionalism is that analysts should be primarily experts in their subjects, rather than in intelligence tradecraft since the latter can be learned readily on the job, but depth in the subject area requires a substantial investment of time, study, and regional experience. The current efforts to institute a Master's program for both military and civilian professionals at the Defense Intelligence School are commendable and this should be extended to the science and technology areas by the Service schools at Monterey and Dayton.

While the above measures are necessary, they are of themselves not fully sufficient to keep the analyst forces professionally effective. There also must be a working environment of stimulation and challenge. Outside Government, this stimulus may be provided by competition, leading to the weeding out of non-performers and early recognition and reward of professional expertise. Within Government, particularly operating under Civil Service procedures, analogous competition seldom exists. Professional leadership can, of course, provide stimuli; however, the Panel believes that different personnel management procedures must be adopted if we are to reach the improvements in analysts professionalism that we seek and which we believe to be essential. The Panel feels that this will be extremely difficult under Civil Service regulations and procedures and we believe that in light of the sensitive and essential nature of the Defense intelligence analyst duties, a persuasive case can be made for the exemption of intelligence analysts from Civil Service requirements. Such a policy would be consistent with that of CIA and would facilitate the exchange of personnel with CIA and NSA.

RECOMMENDATION

The Director, DIA should take immediate steps to

implement appropriate management disciplines set forth above in the analytical process and the associated presentation procedures.

DIA must be exempted from Civil Service procedures governing the tenure and promotion of professional analysts. This change is essential and we recommend the Secretary of Defense give his personal support to legislation to provide this exemption.

The organization of analysts in DIA should be revised to establish a structure conducive to increased professionalism. The multiple layers of non-professional supervisors should be eliminated and the analyst force should be placed under an appropriately chosen civilian with a limited term of office who should be appointed at a level of Deputy Director to DIA. This change should be made only after exemption from Civil Service procedures has been secured.

Advanced programs, open to civilians and officers of all Services, in technical intelligence analysis should be established at the Naval Post-Graduate School and the Air Force Institute of Technology.

Military Officers - More attention should be given by the Services to maintaining a healthy and motivating career pattern for intelligence officers. Poor selection opportunity for intelligence specialists will limit the quality officer needed in this specialty.

The Panel has reviewed the evidence of the assignment of average and below average officers to DIA and found it alarming. We believe that the Agency has too readily accepted Service nominations; a more critical review is essential, even if this requires that gaps and manning shortfalls be accepted. We appreciate that there is demand for superior officer capability in several specialties and while there are practical difficulties to overcome, we believe that it is essential that the quality be improved. We do not see yet adequate measures to achieve this objective. Experience has shown that directives alone will not provide the necessary improvement in assignments.

The Panel considered and felt that a serious examination should be made of double-hatting the Service Intelligence Chiefs to the Director, DIA with the particular objective of improving assignment of superior officers to DIA.

RECOMMENDATION

We recommend that the top intelligence officer in DoD intelligence agencies should be career professionals in intelligence. We recommend also that a specific program be adopted of planning ahead for promising candidates for the top intelligence officer positions and career planning for these potential leaders.

We recommend that the Secretary of Defense establish procedures that will ensure the selection of a fair share of officers for DIA duty of very superior capability.

III. Support to the Commands

The Panel senses that the preponderance of attention has been to the satisfaction of requirements at the National level, and that less than sufficient attention may have been given to the needs of the commands for effective intelligence support, particularly since the winding-down of hostilities in Southeast Asia has lessened concern with theater operations.

We are encouraged, however, with some of the steps recently taken to improve support to the commands and to add to their self-support capability -- such as the distribution of certain intelligence on a real-time basis and the implementation of the concept under which DIA will share basic intelligence product responsibilities with the Services and the commands. In implementing such shared responsibilities, care should be taken not to dilute DIA's overall authority and responsibility for intelligence production, nor to fragment unduly functions which may be best performed centrally. In general, however, it is our opinion that the problem of command support deserves more attention and more formulation of new initiatives than we perceive to be the case.

RECOMMENDATION

We recommend that an examination, with participation by the commands, be made of current levels of intelligence support available to the commanders under conditions of peace-time, contingency and crisis, and war, matched against needs and required capabilities, leading to recommendations for improvement and increased emphasis where required.

IV. HUMINT

Due to the complex world power relationships

existing today, human intelligence (HUMINT) is becoming more important. While other sources provide good intelligence on capabilities, HUMINT remains the most important source to determine foreign intentions. The Panel feels that we are not getting the level or quality of information that we need from this source. It may be that we have come to accept the admitted difficulties as insurmountable. We point out, however, that the heavy investment in technical means of collection and the exceptionally high premium on analyst quality today are ascribable in part to this deficiency in a valuable traditional source. In our deliberation we addressed clandestine HUMINT and the Defense Attaché System.

The major effort in clandestine HUMINT today, and the greatest expertise and potential for success is in the CIA Clandestine Services. We note, however, that while other national programs are reviewed jointly by the DCI and the Secretary of Defense, this does not obtain for the Clandestine Services program. While we appreciate the sensitivity, we wish to emphasize the importance of making the product of this effort more responsive to the high priority needs of the DoD. While the Panel had no in-depth exposure to this effort, the Panel became convinced that the Secretary of Defense should explore with the DCI the possibility of the Secretary's representative participating fully in the review of CIA Clandestine Service programs with the objective of assuring greater responsiveness to Department of Defense needs.

The Panel noted the valuable return on the basis of relatively small investments made by the Defense Attaché System. However, it was felt that we must require and obtain greater productivity from this valuable source. In order to do this, ways must be found to attract the most qualified military officers available. In our view a substantial impediment in the assignment of good officers to this service is the requirement that the Defense Attaché be the senior man in the post.

RECOMMENDATION

We recommend that the Director, DIA be authorized to waive seniority requirements as necessary to ensure that the best qualified officers are appointed as Defense and Service attaches regardless of seniority.

V. Relations with the Director of Central Intelligence

It appears that relations as we observe them between the DCI and the Department of Defense are effective, and

that problems are apparently being approached cooperatively. At the same time, however, we feel that we should underscore the importance of maintaining a partnership in intelligence management between the Secretary of Defense and the DCI. The majority of the national intelligence programs are within the DoD, and, in our view, properly so, since the Secretary of Defense is charged with the national defense and command of the forces. At the same time, it is essential to maintain in the DCI an independent perspective of all intelligence with access to the President for issues of great substance.

VI. Size and Scope of Intelligence

You asked us for our perspective on the size and scope of DoD intelligence today.

We consider that the widely held concern over the inflated size of the intelligence effort is no longer valid. Over the past several years, DoD intelligence manpower has been reduced by one-third, and the level of investment in constant dollars has been reduced.

Also, this period of near-parity between the U.S. and the Soviet Union places an increased premium on the timeliness and accuracy of intelligence.

We are impressed with the capabilities of our technical collectors as an essential input to the intelligence data base, and we believe that comparison of the data base today with that available 10 years ago illustrates the detail and precision to which we have become accustomed. We emphasize, however, that the data from these collectors are provided only at considerable cost, and we see no immediately feasible way of providing this information by substantially less costly means. The cost of analytical and production resources to process the collected data is also considerable. It is, of course, true that in any large organization there are usually means of improving effectiveness, and constant search for improved efficiency is required. In particular, attention should be given to establishing a proper balance between production and collection. However, we believe that additional appreciable

resource reductions may no longer be feasible without significant reductions in the quantity and quality of the information collected, at least in the near term.

In light of rapidly developing political, military and economic trends worldwide, we believe that there are important geographical areas that are receiving inadequate attention and reassessment of objectives and reallocations of priorities may be required. A review of geographical areas now of low priority seems in order to seek means for increasing the allocation of resources to problems which now appear to be receiving inadequate effort.

Since many intelligence collection programs require years to reach the operational stage, a major planning reassessment for the next decade may be in order.

RECOMMENDATION

We recommend that further substantial personnel reductions in Defense intelligence should be implemented only as a consequence of (1) deliberate modification of priorities and coverage, (2) the introduction of equipments or processes which have demonstrated capabilities for manpower savings, or (3) efficiencies in management.

We recommend that a review be initiated of geographic areas of low priority with the objective of determining if means should be sought for increasing coverage in these areas.

VII. Actions Taken Since Blue Ribbon

You asked for our evaluation of the actions taken in implementation of the Blue Ribbon Defense Panel recommendations.

In our view the central thrust of the Blue Ribbon Defense Panel recommendations with respect to Defense intelligence was that a mechanism needed to be established to enable the Secretary of Defense to manage the intelligence programs for which he is responsible as an integrated function. One specific action taken to implement this need was the establishment of the Office of the Assistant Secretary of Defense for Intelligence. A focal point was thus created for the coordination of DoD intelligence programs, providing resource visibility, fiscal control, capability for inter-program reviews, and means for prioritizing needs. We believe that the establishment of the office fulfills important parts of the Blue Ribbon Defense Panel recommendations.

The Blue Ribbon Panel recommended the establishment of a single-point line-authority over all DoD intelligence operations. This recommendation was not implemented and we did not address this decision in depth. We are impressed, however, that the DoD intelligence organization as it exists today is a complex and tortuous one, and particularly dependent for its effectiveness upon the appointment of competent and dedicated principals to insure the effective working together of the separate intelligence organizations without demanding that an undue portion of the Secretary's and Deputy Secretary's time be devoted thereto.

There are historical and current reasons for much if not all of this separation of intelligence responsibilities. However, if we accept that the DoD intelligence organization must have some considerable degree of complexity, we believe that it is necessary that effective staff cognizance, beyond a purely resource management role, be exercised at the Secretary of Defense level. The office of the ASD(I) has, since its inception, proven valuable in resource management in maintaining the level of productivity during a period of drastically declining resources. The ASD(I) has also made substantial contributions to the improvement of the management of the intelligence process, and to the final intelligence product itself. However, in view of the compelling interest of the Secretary of Defense in the total intelligence effort, we believe that the office of the ASD(I) should devote greater effort to management overview, beyond that peculiar to resource allocation matters. In particular, we believe that an examination of the flow of information through the system should be conducted. This examination should seek to ensure that organizational structure and management relationships are optimized to produce the most professional intelligence result.

Another indirect result of the Blue Ribbon Panel's recommendations was the creation of the Central Security Service for the management of all Signals Intelligence, with the Director, NSA specified as Chief. The evidence indicates that this organizational change has both enhanced personnel management and improved working relationships within the SIGINT community. The effectiveness of the new unified organization, particularly in view of the many compromises incorporated in its creation, should be reassessed periodically.

RECOMMENDATION

We recommend that a study be undertaken of the flow of intelligence information from collectors to producers and

from producers to users to determine how management and methods of communication of such information can be improved from the derivation of the requirement through the ultimate satisfaction of that requirement.

THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D. C. 20330

JUL 19 1974

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (INTELLIGENCE)

SUBJECT: Panel on Department of Defense Intelligence Activities

In view of the actions which have been taken to improve intelligence in response to the recommendations of the Blue Ribbon Defense Panel and to the President's memorandum of 5 November 1971, I believe that it would be useful to ask an outside group to assess the cumulative effects which have resulted. Accordingly, I would like you to constitute a panel of six to ten qualified and experienced individuals to undertake such a task.

Following are the duties which the panel should undertake:

1. Review the actions which have been taken in the last three years to improve and strengthen DoD intelligence operations.
 2. Examine the size and scope of present DoD intelligence operations.
 3. Examine the interrelationships which exist among the various DoD intelligence activities and the management considerations which result from them.
 4. Report to the Secretary of Defense its assessment of the effectiveness of DoD intelligence operations and the efficiency with which these operations are conducted.
 5. Recommend actions which the Secretary of Defense should consider to improve intelligence responsiveness to Defense needs, to improve the general effectiveness and cost efficiency of DoD intelligence operations, and to correct any problems which are observed.
- I would like you to establish and convene such a group as soon as possible. Their findings should be reported to the Secretary of Defense by 15 January 1975.



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SCHEDULE OF MEETINGS AND AGENDA

Meeting of 29 October 1974

Overview of Defense intelligence activities
Review of Special Air Force program
Review of Blue Ribbon Defense Panel recommendations
Presentation covering developments since the Blue Ribbon Defense Panel

Meeting of 21 November 1974

Presentation by Director, Defense Intelligence Agency
Presentation by Director of Central Intelligence
Presentation by Intelligence Community Staff on "Yom Kippur War Intelligence Problems"
Presentation by ASD(I) Staff on "Yom Kippur War Intelligence Problems"

Meeting of 12 December 1974

Presentation by ASD(I) Staff on "Improving Professionalism of Intelligence Personnel"
Presentation by Acting Assistant Secretary of Defense (Public Affairs) on "Communicating Intelligence to the SecDef/DepSecDef"
Presentation and discussion by Panel members of "Paper A" prepared by the ASD(I) staff to illustrate a range of optional recommendations for Panel consideration
Presentation by the Deputy Director, National Security Agency

Meeting of 9 January 1975

Executive Session consideration of draft summary report

ISSUE PAPER

SUBJECT: Communicating Intelligence to SecDef/DepSecDef

PREPARED BY: William Beecher, Acting Assistant SecDef/PA

In an earlier and less complicated time, Secretary of State Henry L. Stimson expressed his view of the proper boundaries of the intelligence craft when he declared: "Gentlemen do not read each other's mail."

For reasons that will shortly become clear, however, I choose to begin this paper by quoting -- without permission -- some extensive excerpts from a personal letter received by James R. Schlesinger two years ago, shortly after he had been named Director of Central Intelligence.

The letter writer, an experienced Washington hand, but a man in no way connected with intelligence, was addressing a critical period during the Paris Peace Talks on Vietnam. He wrote, in part:

"I have been repeatedly and deeply concerned by the impression that we often have good, fresh information, but fail either to recognize it in time, or make use of it in time. If this is true, it suggests that a monumental problem exists at the middle or top rank analysis levels.

"A recent example: I stumbled, well after the fact, onto the information that on December 4 [1972] Hanoi ordered an evacuation of women and children from its capital. Since such information must have been easy to come by (friendly embassy in Hanoi telling us, or unfriendly one radioing the word back home), this should have been flagged immediately for the attention of the President and Mr. Kissinger, both in terms of what it could suggest about Hanoi's intentions in the Paris talks which resumed that day, and what we might have done about it...

"Such an evacuation order, presumably would have meant one of two things: 1) either Hanoi intended to dig in on the two or three outstanding issues remaining and was signaling its intent to be

hard-nosed with this gesture, or 2) it was preparing to revert to a much tougher stance, reneging on some issues already settled, raising new ones, and preparing against the possibility that the USG might react by a resumption of the bombing north of the 20th Parallel.

"I don't know that this information was not flagged and immediately sent to the White House. I believe it was not.

"What might we have done -- if the White House had such information at the start of the last round of talks? Well, for one thing, while Hanoi has been surprised again and again by the actions of this President (the Cambodian and Laotian invasions, the resumption of bombing, the mining), all the optimistic talk of an early settlement might have been analyzed by the other side as putting us under tremendous self-imposed pressure. Settlement by Thanksgiving, or Christmas, or at least by January 20, had filled all the Washington reports -- inspired by the highest Administration officials. There was also the matter, totally clear to everyone, that the air war has been costing \$500 million a month (unfunded since October 1) and that Mr. Nixon would like to liquidate and disengage as soon as possible to concentrate on other vital matters in his final four years.

"How might we have countered Hanoi's signal early? Well, for one thing, Henry might have pulled Le Duc Tho aside, mentioned the evacuation, and gently but firmly warned him not to underestimate the President. Also, if since October 23 the only airborne recce we had flown over the North was by drone, we might have sent some SR-71s over. They would have noted the signal... And, if during the talks (as occurred) it became clear the other side was operating under new instructions, we might have moved a couple of F-4 squadrons from CONUS back to the theater, or flown an armed recce mission north of 20 but still shallow enough so as to minimize chances of any heavy encounter, etc.

"My example may be full of holes. But the principle is not. Time and time again I've seen, from the outside, instances where critical information was not analyzed properly right away, or was sidetracked. Doubtless there are good men on the inside who can document this sort of thing for you factually..."

"I hope you will make one of your priority tasks an attempt to find the bright, young, essentially fearless analysts within the Community and move them into positions of authority so that we can exploit information in a timely fashion..."

For readers of this paper who do not recall the situation discussed in the letter, the Nixon Administration thought it had Hanoi's agreement on most outstanding issues in the Paris Peace Talks, and had only to cross a few t's and dot some i's at the meeting scheduled to resume on December 4, 1972, to wrap up a formal agreement. But Hanoi backed far off previously agreed positions at that round; the so-called Christmas bombings in the vicinity of Hanoi and Haiphong in 1972 were required to get the negotiations back on track.

I feel free to quote from this letter because I was the letter writer. At the time, I was a Washington correspondent for the New York Times with more than a dozen years experience reporting from the nation's capital and, as a citizen, felt that the new DCI should have underscored for him a problem so glaring that it was perceived outside the Intelligence Community.

I quote from the letter for other reasons as well.

First of all, to make the point that even persons on the outside can perhaps make useful suggestions for improvements within since, if a Washington reporter is halfway successful, he must exercise many of the same skills as the intelligence analyst: an ability to gather useful bits and pieces of information, calibrating each source for his degree and type of bias, developing a conceptual framework for the material, testing every thesis and discarding those that appear deficient -- and accomplishing all of this in a timely fashion.

And secondly, another problem of even the best intelligence analysis is the need to be able to get the attention of the customer. In this

particular case, the customers of this report are a number of very busy leaders in industry and government who (I judged) would be more likely to spend some time on a lengthy report if it were packaged in a manner that would pique their curiosity and interest.

The Intelligence Community must make a determined and continued effort to determine who are its principal customers and what techniques might best be employed to capture their attention and satisfy their requirements.

It became abundantly clear in addressing this topic that the Community has been deficient in that regard.

This report is based on extensive interviews with James R. Schlesinger, Secretary of Defense; William P. Clements, Jr., Deputy Secretary of Defense; General George S. Brown, Chairman of the Joint Chiefs of Staff; Robert F. Ellsworth, Assistant Secretary of Defense for International Security Affairs (who together comprise the principal policy makers and thus the principal customers of the intelligence product being addressed in this report), together with a number of others in or long associated with the Intelligence Community in Washington.

While the findings and conclusions are somewhat impressionistic, if they offer only a few valuable insights, the effort will have been worthwhile.

A special caveat is worth offering at this point. Since the focus of this report, indeed the thrust of the entire Defense Panel on Intelligence, is to suggest improvements in the Defense Intelligence Agency, the emphasis of what follows will be essentially critical, hopefully constructively so. That is not to infer, however, that DIA has not accomplished a good deal of laudable work, or that it is not making efforts to improve its organization

and its product. Such a conclusion would be both unfair and erroneous.

Every single person interviewed made a point of the fact that DIA (indeed the whole of the Intelligence Community) is long on tidbits of fascinating data (gleaned by very impressive mechanical collection and decrypting systems) and very short on comprehensive, insightful and timely analysis.

Most ascribed this to: a thinness of quality analysts, civilian and military; an overlaying organizational structure so that the report of the original analyst becomes increasingly bland as it makes its way up through layers of supervisors; an inability to make broad-gauged judgments on the basis of new fragments of information; an unwillingness to go out on a limb in early-warning soundings and long-range estimates; a tendency to downgrade HUMINT and SIGINT in favor of "harder" photo intelligence data.

Comments Mr. Schlesinger: "Most of what I see represents a lot of scraping together of factual material without much analysis. But when you have good analysis, it's more valuable than the facts on a ratio of ten to one."

He and other senior officials complained that much of the material presented each day, especially current general intelligence, consists of a bunch of photos and snippets of information that fail to put the new data into perspective or fully enough interpret its significance.

Mr. Ellsworth has discontinued his daily DIA briefing (which he regarded as a waste of time) in favor of a very brief paper with intelligence and overnight cable traffic highlights.

General Brown has restructured his morning intelligence briefing in an attempt at putting the information briefed into a broader context. His 8:30 a

meeting is richer than others in that it includes either the Director or Deputy Director of DIA, together with his J-3, J-5 and the Director of the Joint Staff; in that way he tends to get some cross-fertilization of the opinions of the operators, the planners and the intelligence experts.

Messrs. Schlesinger and Clements for the most part get such written items of intelligence as are screened by their military assistants -- on the basis of known interest and perceived value to the issues at hand.

There is an obvious lack of regular, meaningful communication between the offices of the Secretary and Deputy Secretary, on the one hand, and the intelligence analysts on the other. The former complain that the analysts don't comprehend what is of particular interest, either generally or in a particular crisis, while the latter complain there is no feedback, so they have no idea whether what they are producing is hitting the bull's-eye or even the target.

This problem appears to be compounded by the makeup of the Intelligence Community where the analysts (frequently academic types without much or even any experience in the field) don't have a clear idea of whether they are writing primarily for their immediate supervisor, for the Intelligence Community at large, for the Secretary of Defense, or whom, according to experienced hands. Frequently, also, they work under a publish-or-perish pressure not unlike that in academia, leading to a tendency in some cases to make much of some little new fact or occurrence. This, in turn, can tempt supervisors to round sharp edges for fear that too much is being made of the latest glimmer of information. But when a situation arises

when much, indeed, ought to be made of new data, the system can and often does homogenize the analysis.

Mr. Clewents, on the basis of two years -- and several crises -- in his current post, provides this overview of the problem: "in every instance I know about where there was a horrendous failure of intelligence, the information was in fact available to have averted the problem. But the analysts and the system didn't allow the raw data to surface."

"In a mechanical sense," he continued, "the system produces the information, but it's so damn big and cumbersome and uncoordinated, that you can't get the information properly assessed and to the right people."

He concludes: "What I want are more reflective, accurate and well-considered assessments -- before, during and after crises. I want a constant process. Given that we're spending better than [redacted] ^{1/2} year, with better than [redacted] people involved, the performance of the Intelligence Community is disgraceful."

This report opened with the judgment -- from the outside looking in -- that one of the basic shortcomings of the system was the lack of talented, experienced, imaginative and courageous analysts getting their warnings and estimates to policy makers in a timely manner. That notion has been reinforced by talks with many of the top decision-makers -- and by the author nearly two years at a senior level on the other side of the mirror.

People are the main problem, though by no means the only one.

What might, then, be done? Some suggestions follow:

REORGANIZE DIA. Some consideration ought to be given to a reorganization of DIA to put a widely experienced civilian intelligence analyst (hopefully with some managerial talent) in as the Deputy Director of DIA.

would provide some continuity (such as at the National Security Agency) and would be looked to by the civilian analysts throughout the organization as providing a counterweight against the tendency for a preponderantly military-oriented agency.

THE WISE MEN. As part of the reorganization, five or six imaginative thinkers (civilian and military, depending strictly on experience and ability) should be set up with a charter of following as many key functional areas both to creatively evaluate trends and ride herd on those individuals throughout DIA who could be contributing more to these high priority areas of interest. They ought not be saddled with management responsibility, but must have enough authority so their "suggestions" to the system would not be ignored.

In a crisis involving their area of specialty, they could accompany the Director of DIA in briefings of the Secretary and other key policy makers.

CIVILIAN ANALYSTS. At middle and lower levels better analysts must be recruited, provided first rate training both in intelligence schools and, where appropriate, in graduate schools. Consideration ought be given to broadening their experience with occasional tours with CIA, NSA and possibly in political-military assignments in embassies where their regional specialization would be enhanced. Pay must be commensurate with demonstrated ability and performance.

MILITARY ANALYSTS. The same approach should be followed here as with the civilians. As an additional, vital, step the Services must be persuaded to send more of their very best officers on assignment to DIA and to promote such men, on the basis of merit, as fast as their contemporaries who serve

assignments primarily within their individual Services.

CRISIS MANAGER. Since one of the main problems, as far as policy makers are concerned, with intelligence performance in a crisis is a lack of responsiveness, thought should be given to assigning a senior intelligence professional to the Office of the Secretary of Defense during a period of crisis, such as the Middle East war of 1973 or the more recent Cyprus invasion. This man would spend considerable time each day talking with the Secretary and his military assistants on precisely what kinds of data and analysis would best serve the Secretary. He would also accompany the Secretary to the Situation Room in the NMCC to immediately pass on to the appropriate sections of DIA (or elsewhere in the Community) just what the Secretary believes he needs to facilitate his decision making. This could either be one man, with the sort of personality and judgment to get along well with whoever is Secretary, or different men selected because of experience in the area most concerned in a particular crisis situation.

TAILOR THE PRESENTATION. DIA must learn to be especially sensitive to the personalities of the key people being served and fashion the method of providing information to the individuals involved. During the Mideast, for example, Mr. Schlesinger often went to the special NMCC Sit Room for updates, but was bored by most of the "checklist" type briefing that reported U.S. ships having moved 20 miles since the last briefing, etc., along with a few new developments of genuine significance. No one seemed to notice what interested him and what did not, in his view. Additionally, a little personal research would have ascertained that he prefers (on any significant item of intelligence) a brief oral report by an expert who can

answer questions, not a briefefer who only knows a script --- backed up by a lengthier written analysis which can be read at leisure.

WIRE THE SYSTEM TOGETHER. There appear to be too many fiefdoms at Defense without sufficient or systematized cross-fertilization. General Brown's format at his morning meeting is a small step in the right direction. However, it ought to be broadened significantly. DIA regional analysts ought to freely talk and compare notes with desk men in ISA (rarely the case, I'm informed), with operators in J-3 and planners in J-5, just for starters. In addition, why not have ISA set up a series of special "what if?" groups, geared to anticipated problems and possible options, including DIA prominent in the process. For example, in anticipation of the Congressionally mandated cutoff of military assistance to Turkey unless significant progress is made in solving the Cyprus crisis, one such group could have analyzed a series of questions and offered suggestions to the policy makers, to wit: What if Turkey agreed to pull 5,000 troops out of Cyprus, would that satisfy Congress? What kinds of inducements might the U.S. make to Ankara to increase chances of meaningful concessions? What would happen if Congress shut down aid, would Turkey pull out of NATO, disinvite the U.S. from using bases there? What implications? For the U.S., for Greece, for intelligence on Russia, for transshipment of weapons through Turkish air space or overland to Syria? What elements in the Turkish political spectrum should be cultivated in anticipation of this possible crunch? Should arms in the pipeline be speeded up or slowed et cetera.

MORE AND BETTER HUMINT. Without question the extraordinary capabilities of technology have unlocked some breathtaking secrets of great value to the U.S. Other breakthroughs will follow with equally important results no doubt. But there is a danger of becoming so mesmerized by the product of the intelligence vacuum cleaner that we tend to underrate the value of cultivating (at times, buying in place) well informed individuals in key places. During my previous incarnation, I had occasion to go on extensive reporting trips in the Middle East and quickly discovered that the best informed sources in the region were the British and the oil companies. And they depended primarily on HUMINT.

The foregoing suggestions are not meant to represent an exhaustive list of things that ought be considered, but rather an illustrative one.

In addition, certain other moves, some essentially mechanical, others substantive, merit attention.

For example, it would make sense for DIA to explore some very modern techniques of communication, perhaps consulting with a big advertising agency for expert advice. This is in no way to suggest a slick, catchy, sell-'em-the-package-not-the-contents approach. But DIA is competing for the time and attention of some colossally busy men. When, for instance, trying to brief on the military buildup along the Sino-Soviet border, why not a brief multi-colored film, graphically illustrating the sequence and extent of the Soviet buildup --- and the

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corresponding Chinese reactions -- in a way that can be quickly grasped and likely remembered long after the briefing?

I claim no substantive expertise on why extensive resources are targeted on certain things and not on others. But I am somewhat disquieted that we know a lot more about the new weapons being developed for Soviet divisions, for instance, and a lot less about how fast divisions could be mobilized and moved to the front and how much combat consumables could be moved forward for sustained warfare. Also, in the Middle East, we try to make judgments on the likelihood of a new round of war and possible outcomes, yet we seem to place relatively scant resources on learning such things as precise Israeli and Arab order of battle information, and stockpiles of certain key weapons (such as SAM missile stocks, rather than merely numbers of launchers).

On one thing the expert and the non-expert can agree. We are into a period when we cannot, indeed dare not, fail to significantly improve our ability to comprehend and deal in real time with the myriad problems that face this nation. And that requires, first off, better intelligence.

MEMORANDUM

DEFENSE PANEL ON INTELLIGENCE

George M. Haaker

Following the three meetings of the Panel in which informative briefings were presented and discussion among panel members ensued, I want to set forth my interim reactions and such conclusions as I may have in advance of the next meeting in early January.

I have reread Mr. Clements' memorandum of 13 July 1974 setting forth the five duties which the panel should undertake, and will comment on my views as to each of them.

1. "Review the actions which have taken place in the last five years ---- etc."

In the briefing of 29 October we heard a review setting forth the recommendations of the BRIDP that had and had not been implemented. I shall not comment in detail upon what was presented as it is well known except to say I particularly noted the following:

- (a) The recommendation that line responsibility for all Defense intelligence be centered in one office. This was not implemented.
- (b) The recommendation that career opportunities be enhanced for both military and civilian personnel. This is said to have been partially implemented.

The advantages, in theory at least, of a centralized line authority for all Defense intelligence are readily apparent, but the difficulties of implementation are doubtless formidable. There are many evidences of less than optimum organizational functioning and if centralized controls are not to be implemented then much attention should be directed at organizational deficiencies by other means, perhaps by a continuous review function covering form of organization, line of authority and responsibility, flow of information, and the like. Apparently it is the method and not the objective where there are differences of opinion for there is a common agreement that intelligence activities must be carefully coordinated and tightly controlled.

In the matter of career opportunities for both civilian and military personnel the BRDP recommendations have been partly implemented. However, it is my belief that much more can and should be done and further in this memorandum I wish to comment on this aspect as I consider it to be one of the most practicable areas for improvement.

2. "Examine the size and scope of present DoD intelligence operations."

The briefings and the data presented dealt with the nature of intelligence operations both in size and scope. Certainly we need a first class intelligence operation. It is clear that we have a very large and a very costly operation but whether, taken as a whole, it is first class I do not know.

Looking at the technological aspects separately from the human aspects I think we must conclude that technologically the intelligence operation is in fact very good indeed. Thus if we consider the overall system to have deficiencies we should look first to the human aspects for improvement. The functioning of the present organization apparently needs attention to achieve clear cut responsibilities for all aspects of intelligence with emphasis on control and flow of information and its analysis. Perhaps we have focused on technological advances and given less than adequate attention to the other fundamentals.

As a generality it is safe to say that almost any activity of such size and complexity can be made more effective by reexamination of priorities with a view to eliminating those of a lower order not for cost reduction alone but in the present context to increase the effectiveness of those of a higher order. Whatever can be done to eliminate lower priorities is likely to improve effectiveness.

3. "Examine the interrelationships which exist among the various DoD intelligence activities and the management considerations which result from them."

The foregoing raises the key question in regard to the organization of activities that we know are of great magnitude and complexity. The present form of organization and the interrelationship that have resulted are so tortuous that one might wonder how anything useful is accomplished.

To make any worthwhile improvement one must go back to the scope of activities, examine the priorities, and try to eliminate those of lower priority. Having reduced activities as much as possible then undertake to organize them and put them into a network that is as simple as the situation will permit.

It seems quite apparent that technology and resource management have received much more attention than has been given to matters of personnel and organization. No doubt this explains why our intelligence data seems to be superior to our methods for handling it.

The writer recognizes such generalities may not be too helpful in identifying actions that might be recommended for reasonably prompt improvement. On the other hand if these conditions are not realized improvements are unlikely to be achieved.

"Report to the Secretary of Defense its assessment of the effectiveness of DoD intelligence operations ---- etc."

The advances that have been made in technology and its applications in recent years are indeed truly remarkable. One suspects, but cannot prove, that technology is almost solely responsible for the intelligence gains have been made despite enormous complexities in both scope and form of organization.

It is my impression that the net result of our intelligence activities is much better than we sometimes believe. But this is not to say that they could not be greatly improved by examination of priorities, by better people and by a simplified form of organization. This all leads me to an anomalous conclusion, namely that if, as some seem to believe in the real world little can be done toward simplification of scope and organization then indeed intelligence activities may be at least as reasonably effective as one might expect.

As a matter of personal reaction I cannot see the Yom Kippur experience as a failure, but rather as a circumstance in which the most that might have been extracted from the system was not realized. I would caution that we not mistake a crack for a fault. Perhaps we expect too much. In retrospect we can now identify indicators of a possible surprise attack prior to the Yom Kippur war. Had these indicators been acted upon there might have been no surprise; there might have been a attack. The intelligence

would have been criticized for being wrong, for creating tension, for possibly provoking war. We can try to know the capabilities of others but certainly we must not assume that capability indicates intention. We can try to predict the intentions of others but it would be fatuous to expect that we can always know their intentions.

5. "Recommendations which the Secretary of Defense should consider to improve intelligence responsiveness to Defense needs ---- etc."

In this connection I focus upon the rather obvious opportunities to improve the quality of the output both by upgrading the competence of the personnel, and by improving the means by which it is communicated. We are told that betterments in these areas have been made as a result of the BRDP recommendations of 1970. Be that as it may we have nonetheless seen evidence that says there is room for further upgrading

The Services do not assign a high priority to the intelligence function in the career pattern. It does not seem unreasonable to reach for a priority at least equal to that of other career opportunities. Few would disagree that the quality of output will improve with competence of personnel. Accomplishment may not be either easy or fast but this is nonetheless one important step for betterment that can be taken by the Secretary of Defense.

On the civilian side we see that civil service regulations make it most difficult to recruit and retain personnel skilled in the appropriate disciplines and of the intellectual capacity required of a first rate analyst. The analyst role calls for very special and professional abilities coupled with proficient leadership, career patterns and the like. But perhaps even more important is the need to recognize the function as not one of science or technology but as one of logic based upon intimate, in some cases life long, knowledge of the political, geographical, ethnic, and cultural aspects of a particular area. These talents are not easily acquired and the assignments cannot be adequately filled by transferring or promoting either a military officer or a civilian employee who has performed well in other assignments.

Although these matters seem to be known and understood and efforts are being made to upgrade personnel, it is my reaction that as much emphasis as possible should be applied to modifying civil service requirements not only because of its importance to the functioning of the system but also because although it may have its difficulties it is one of the areas in which the Secretary of Defense could lend his direct support.

In the final accounting the quality of the output can be no better than the competence of the personnel. Aside from matters of organization which have been commented upon, working conditions do influence the effectiveness of personnel. DIA is seriously fragmented in several physical locations and its effectiveness in general must be diminished thereby. Aside from the question of funds required this is a situation that can be easily and usefully corrected.

The problem of communicating the final output and its significance is vexing and is a matter to which the writer has given much attention over the years. I have little regard for the average briefing because it is exactly that, namely an average briefing for an average audience. Too often briefings are cluttered up by details that may be fascinating but do not lead to conclusions. Where they are included solely to validate the data they may in fact obscure significance.

It is my belief that communication with the top decision makers should be structured to inform them of what they want to know combined with what they ought to know. And furthermore at the top at least the briefing should be done by those who have first hand knowledge and have themselves played important roles in determining the significance of the material under consideration.

Because of the complexity and sophistication of intelligence operations we may be too inclined to seek complex and sophisticated improvements. Because of a pre-occupation with technology and high level roles and missions we may have given too little attention to the fundamentals. I have the feeling that nothing would improve our intelligence effort as would high quality people, clearly defined responsibilities and a sound organizational structure.

AN OVERVIEW OF REQUIREMENTS AND PRIORITIES

Dr. Alexander H. Fox

The present posture of the intelligence community, its physical assets, its organizational structure, its allocation of manpower and resources are all still very largely the product of history since World War II and particularly, of the period since the Soviet strategic nuclear threat began to develop (i.e., since 1950). The investment in large collection system exploitation programs, and overseas stations since that time has been very large and the inertia of the associated institutions and bureaucratic mechanisms has grown correspondingly larger. Major collection programs tend to take on the order of five years or more to plan, program, budget, develop and implement and from a requirements point of view, most of the present collection systems are vastly more capable follow-ons to predecessor systems which began ten to twenty years ago, made possible by the phenomenal technological growth which took place during this period. In a detailed sense, what happened was an illustration of one form of one of Parkinson's laws, namely, detailed collection "requirements" expanded to meet the technological capabilities available.

" Given the historical sequence that brought the intelligence community to where it is today it is not surprising that almost all systems for collection (and therefore also a good bit of the emphasis in processing, analysis and production) are focused on the Soviet strategic nuclear threat and more recently, as a close second priority on the Soviet conventional threat to Europe. This is not to say that these very capable "vacuum sweeper" collection systems do not also collect a great detail of other useful information on other areas which is suitably processed and analyzed but the primary driving force which affects the size and scope of the programs and, therefore, their major costs (and bureaucratic constituencies) is the emphasis which has historically been laid on the Soviet threat.

Third in priority is the so-called Sino-Soviet bloc (a term which, if not factual as a descriptor may be regarded as a historic relic of the old days of bipolarism) which brings in China, North Korea, North Vietnam, etc. When the needs, objectives and requirements associated with these countries and the threat postulations they evoke have been taken care of, it is safe to say we have accounted for probably at least 90 percent of all intelligence costs, military and civilian, tactical and strategic, theater and national. Therefore, if one looks at other areas of the world, the Middle East, Africa, Latin America, etc., it is misleading to refer to

the resources involved. Rather, the applicable resources are ten percent or less of those amounts and these, while still substantial, are no longer so astronomical in size, even less so when parcelled out among the many different areas involved.

The key intelligence questions for the highest levels of government over the past decade have, however, tended to involve the Middle East, Africa, and Latin America almost as much as the Sino-Soviet bloc although the latter almost always had, in greater or lesser degree, a certain coupling to the action. In light of this recent experience, the developments in SALT, MBFR and detente-oriented scientific, technical and industrial exchanges with the Soviet Union, other Warsaw Pact nations, and China, and the many new or enhanced technical collection capabilities which have been developed since 1950, the time is ripe now for a fundamental reevaluation and reordering of both objectives and requirements for different geographical areas and the best means for meeting those objectives and requirements. In particular, it appears that the role of HUMINT should be especially reassessed with respect to the currently evolving situations. What is involved here is not so much a reordering of intelligence priorities as a reconsideration of the relationships between priorities, objectives, and resources.

THE PRESENTATION OF INTELLIGENCE REPORTS

If the intelligence community is to do more than produce material for its own edification, it is necessary that it give significant attention to the ways in which its outputs are to be presented to those who may be able to use them. And the problem is most critical with respect to those users, or potential users, at the highest levels of government since they must base their decisions on an adequate appreciation of what is or may be at stake in the broadest national and international context. It is here that the present system most often fails, not so much because it fails always to give the right answer (which is probably an unattainable goal) as in making clear the essentials of what is in an intelligence estimate or assessment, on what it is based, and what degree of uncertainty is attached to.

The following facts are illustrative of the kinds of highly relevant information which is often, if not usually, lacking in intelligence reports, estimates and assessments.

Character of inputs. Are they independently derived from new data, drawn from recent assessments by others, or mainly deduced from files and "finished" intelligence reports of long standing? What are the recent changes reflected in them? What has been the recent rate of change? How reliable are the inputs? Is there any divergence of opinion concerning the inputs among elements?

Analysis. Given the inputs and uncertainties, what was the analytical process used? What were the areas of expertise included in the analytical team (e.g., regional political, military, regional economic). To what degree were analysts in touch with and influenced by other analytical teams dealing with the same subject? (Since the user may receive several such analyses, he should know the degree to which they are independent.) What input uncertainties had the greatest degree of influence on the analysis? What factors of which the analytical team was not aware were taken into account or updated in the analysis?

Results, Findings, Conclusions. How certain are these? Within the reasonable limits of error and tolerance in the inputs and the analytical process, it self, what are considered the most likely case, the best case and the worst case which could be forecast? What options exist for the other side which depend on actions we or third parties might yet take? What are the time constraints and decision points for these options and our (or third party) actions? What answers to these questions have been arrived at separately or collectively by other analytical teams?

Obviously not all of these issues and questions need to be discussed or highlighted with respect to every intelligence report, estimate, assessment, but the key issues do need to be brought out (e.g., the key military issue in the Middle East War of 1973 was obviously the change in morale, resolve, training, leadership and competence of Arab military forces and not the count of the last aircraft or tank delivered from the Soviet Union, yet the tacit assumption had been made by the "community" that these had not changed, indeed could not change for almost a generation. Hence, this key issue was not addressed.).

The primary function of management of intelligence analysis should not be to attempt to second guess analytical specialists in their own areas of expertise (although checks and balances by other analytical specialists could be provided); rather the managerial role should emphasize the information transfer process to the users, which would include the ferreting out and highlighting of the uncertainties, key unresolved questions and the degrees of freedom still left in the situation dependent on our (or third party) actions, policies and pronouncements.

It is important to realize that what must be foregone in the intelligence community to achieve both credibility and effectiveness with respect to users are the time honored forms of collective wisdom and homogenized judgments as ground out by committees or either the intra or interagency coordination process. These procedures always tend to reduction of all problems by the lowest common denominators which often forecasts a dull gray dawn when what is really to be expected is either a rosy red or an ominous blue.

Although the general principles set forth here apply to presentation of all intelligence outputs to all of its consumers, they apply with special force to the support which DIA provides to the OSD level for many reasons (some stated above), not the least of which is that they have repeatedly been tried and found wanting by this important group of customers. The Director, DIA should take immediate steps to alleviate this situation by creating the necessary staff (which need not be large) and organizational arrangements (which need not be extensive) to implement these appropriate management disciplines set forth above in the analytical process and the associated presentation procedures.

As overall guidance for the Special Defense Panel on Intelligence, Secretary Clements said, "Please do not tinker with it." He further said in essence that if the panel thinks the system is generally all right, say so. Do not feel obligated to come up with recommendations for significant changes unless they are believed to be genuinely required or desirable.

In attempting to apply this guidance and at the same time keeping in mind that a major reshaping or restructuring of the United States Intelligence systems is probably not in order--and certainly not as a credible determination of this panel--the first order of business seems to be identification of "ground which the panel should plow."

2. SCOPE OF PANEL ACTIVITY.

I believe this panel can best make a contribution by concentrating on the policies and organizational responsibilities for production of substantive intelligence vis-a-vis the management of resources required to serve the overall intelligence mission.

Most panels such as this one are convened after a major failure of whatever be examined has occurred. Managers are looking for outside judgment which has not been involved in the failure, but whose collective breadth of experience may well uncover significant flaws that those closest to the problem have not detected. Certainly there was a failure which prompted this one, and both Secretary Clements and Secretary Hall made clear that it was the Middle East War of October 1973. We were caught by surprise. No segment of the intelligence complex officially estimated that the Egyptians were going to attack.

3. INTELLIGENCE EXPERIENCE.

During a fast three days of interviewing several people in DIA and the Service Intelligence agencies, I sensed a rather striking lack of intelligence experience

development of all-source intelligence required experienced intelligence officers at the helm. It was pointed out several times that we did not have this at the top during the period that preceded the October 1973 attack, and thus perhaps did suffer a failure that could at least in part be laid to this shortcoming.

I do not fully agree with this, and attempted to make sure that I understood what an "experienced" intelligence officer is in this apparent consensus. The answer seems to be that he is one who is either a designated specialist, or one who has had many assignments in intelligence jobs, or both. Certainly these specialists are required in the top levels of the intelligence hierarchy, but not in my opinion to the exclusion of nonspecialists.

The care in selection of the Chief of the DIA and his deputy is certainly no less important than the care in selection of a key military commander or chief of staff. I feel in fact that it may in some cases be even more so. Many important characteristics should be considered. An insatiable demand for good information is one of them. Top interest in good analysis is another. But a long list of previous assignments in intelligence specialties is relatively unimportant provided good people of such background are assigned to his immediate staff.

My criteria for the selection of a high-level defense or military intelligence chief would center first on an officer who has been a successful commander. Good commanders understand the importance of intelligence; and of specialists. They also understand responsibility, understand their own role as an analyst ("estimate of the situation"), and are not generally inclined to be swayed by a preponderance of opinion counter to their own hard-gained beliefs. Most importantly, they are usually not inclined to overlook hard indicators of potential or capability in favor of a compounded analysis of probable intentions.

I have known, worked for, and seen in action commanders who continually give their intelligence chiefs a bad time. By this I mean constant criticizing, questioning

concerning your own lack of cross-service experience, bypassing, perpetuating constant updating, or playing the devil's advocate. These commanders will not put up with a chief who does not understand why he insists on these tactics and the quality response which the generate. Contrariwise, they will attempt to hold on tenaciously to a chief who and who does his best to produce the real-life information and analysis that his needs. Usually, commanders will look for intelligence chiefs who have had good operational experience (to include tactical commands), and will shy away from "specialists" for this top job unless they have had such experience.

In summary of this point then, I believe that at any level which involves command or decision-making responsibility, the intelligence chief and his immediate staff should have a balance of experience. If the chief is selected for his real-world down-to-earth, pragmatic experience--usually as a commander or operator--his deputy should be a specialist; and vice versa. I prefer the former combination.

4. CURRENT DIA SCOPE OF ACTIVITY AND RESPONSIBILITY.

The stampede for centralization in the OSD in the early 1960s most certainly involved defense intelligence. This was one of the first activities to face sweeping reform under Secretary McNamara. As stated in the Issue Paper, two broad roles were envisioned as centralized production of all military intelligence at OSD level, a centralized collection management through control, validation, registry, and levy of all DOD collection requirements. This was a big order, and in my judgment more conducive to empire building than it was to the savings and cost-effectiveness which "tail-number" management at the top was supposed to bring about.

The order was further compounded very shortly, however, by piling all manner of resource management tasks on DIA's back. These included SDIP resource manager, operation of the attache system and school, functional management of all DOD mapping and charting, S&T production, photo library service, policy staff to the JCS, and other manpower and administrative overhead cutters-papers. The primary missions and

Each of this has been changed, partly through recommendations of the Blue Ribbon Panel, and partly through the hard work and far-sighted management practices of ASD (I). The best examples are separation out of DIA of mapping and charting responsibilities, some restructuring of scheduled SAV production effort which allows more flexibility for meeting military service requirements, and assumption by ASD of general intelligence and SRV resource management responsibility. More can be done, in my opinion, toward further improvement.

5. JOINT AGENCY PHILOSOPHY AND MANAGEMENT.

It is my belief that within the period since World War II when first the Unification of Armed Forces and later the Agencies for Joint Support emerged, Joint or Unified Command has worked better than have most of the Joint Agencies. I feel this is so because the joint agencies have attempted too much, and am convinced it is so in the case of intelligence (DIA).

Generally speaking the measures for redressing this imbalance are functional decentralization of collection, specialized analysis, and in some instances resource management (a good deal of resource management has already been decentralized beneficially as noted elsewhere).

The principles of management for accomplishing further decentralization should include executive agencies, counterpart production, and both closer cooperation and formalized interdependencies at the top (DIA, Service Intelligence Chiefs, and JCS as recommended in the following paragraphs).

6. DIA VIG-A-VIS MILITARY SERVICE INTELLIGENCE NEEDS.

Any attempt to sort out DIA-Service Intelligence relationships and interfaces should begin with an examination of what the military services requirements should be. I have some rather strong views on this which tie directly to the Unified Command Plan and the Unified Action for Armed Forces papers. These two fundamental JCS publications represent the "constitution" for the military services and

prescribed by law in the Unification Acts of 1947 and 1953. In my opinion these documents are too often paid only lip service by the average staff planner and regarded either with ignorance or an attitude of unimportance.

Strictly speaking, and in accordance with these documents, the roles of the military services are ones of supporting the Unified and Specified Commanders in the responsibilities of operating the military forces. These support functions are basically the classical ones of training and logistical nature. They include everything which contributes to the production and maintenance of well-trained and well-equipped forces to meet the defense readiness and combatant responsibilities of the operator. The Unified and Specified Commanders and Their Component Commanders. They do not include operational responsibilities except insofar as they apply to individual and unit training.

I believe that strict interpretation of Service roles and missions could thus form the basis for radical changes in the intelligence requirements which the services claim today. Most real-time sensitive data would be unnecessary; there would be questionable need for service alignment of attaches and other HUMINT resources, no need for much of the detailed analysis which the services say is so vital to them a services, and a reduction in scope of most every type of intelligence effort except possibly S&T. The original efforts toward centralization of defense activity in the early 60s adopted a blueprint for intelligence management which seemed generally based on this reading, yet curiously none of the cost-effectiveness experts with which the SECDEF surrounded himself seemed to grab the UCP as a "near-perfect" justification for their actions.

I do not propose sweeping changes in the DIA-Service intelligence relations because of this strict reading, but do urgently propose that all planners keep the UCP and the UNAAF in mind--to become better students of these fundamental documents in any future alignment of intelligence resources, or for that matter any other

military planning. It is my observation that lack of knowledge and regard for these documents is quite universal in military personnel, just as lack of knowledge and respect for the Constitution and Declaration of Independence is alarmingly lacking on the part of the average voter.

I do propose changes in DIA/Services relationships, however, that are believed not to fall under the heading of "tinkering."

In attempting to parlay "the law" of the UCP and the USAF to the honest reality of how things should work--and associated requirements--I believe there are two considerations of overriding importance to remember. The first is that each Service Chief is a member of the JCS, and as such he does have very definite operational responsibilities since the JCS is the immediate governing body of the Unified and Specified Commanders. These responsibilities are recognized to be of special character--respectively for air, sea, and ground matters--and are fundamental to the fabric of balanced homogeneity of the highest military tribunal reporting directly to the Secretary of Defense.

The second consideration is that of the Service-oriented components of the Unified Commands. These are of the same fabric, and are by design uni-service extensions of the unified action envisioned for the Unified Commands. They depend on their associated service for many things which contribute directly to their operational mission effectiveness, to include detailed intelligence and analysis.

The question then seems to be whether there is a better way to serve these Service-oriented responsibilities--which are in accord with the UCP--than exists today, and if so how they can be accomplished in the detail required with a minimum of resource-consuming duplication.

One idea that offers much promise to me is that of dual roles for Service intelligence chiefs. Each would be a deputy director of DIA, and share with the Director some definitive responsibilities for and within the system. Counterpart

power of principal support to DIA into the system rather than to depend on a less formalized basis of cooperation. I recommend strongly that this be done, and that after establishing the principle a study group be formed to determine the details how best to accomplish the objectives of true integration of the DOD intelligence system without exacerbating the flexibilities that must be preserved. The USCP and the USAF should serve as appropriate guides in establishing the procedures which apply.

7. DIA AND THE JOINT STAFF.

The arrangement whereby the Director, DIA is also the J-2 is outstanding. I do not know how well the Chairman and the other members of the JCS take advantage of this in shaping requirements and effecting inter-service coordination--as well as defense intelligence policy--but it is made to order, and I hope this two-way influence is being exercised to overall national advantage. This arrangement is fully in accord with the recommendation made above that Service intelligence chiefs be appointed deputy directors, DIA. Service intelligence chiefs would thus serve the respective service chiefs of staff both in the service role and the JCS role.

8. THE DEFENSE INTELLIGENCE BOARD.

General Graham received praise from all Service intelligence chiefs for his action in revitalizing the DIB. It was pointed out that he holds regular weekly meetings, other nonscheduled meetings as required, and that he allows only the principals to attend (no data-shufflers or becker-uppers allowed). Apparently this was a much-needed procedure in order to stimulate top-level understanding and trust, and I support the wisdom of such a move with utmost enthusiasm.

9. COLLECTION.

In the course of recent discussions I gained the impression that the defense community generally regards SIGINT/COMINT (and COMINT only) as the most

valuable sources of defense intelligence. I also gained the impression that policy is felt to be in order in both of these departments. Service comments indicated that the centralization of SIGINT control and analysis left an uneasy feeling that all NSA-produced SIGINT analyses were not being made available for service use, as that there was no way for sure of knowing that was not being made available. I have not formed specific conclusions or opinions on what corrective measures--if any--is in order here--but do agree that there is a degree of autonomy in NSA that is potentially unhealthy; that more SIGINT analyses should be performed by the DIA and the military services; and that other controls and crossfeeds could improve the quick availability of vital SIGINT intelligence to all service user needs. Recommend this be given a particular examination.

management

The Defense Attaché system is believed to need some overhaul. The first and most vital fault is the policy which requires that the Defense Attaché be the senior in military rank amongst all assigned service attaches at that station. I believe that this policy should be abolished, and that the officer best qualified for the job be assigned irrespective of his date of rank relative to that of the other attaches. The policy in question--insofar as can be determined--stems from the honored military custom that in any military office or function the man who has been in grade the longest of those in the highest grade present is the boss. This custom is believed to have largely outlived its usefulness, and particularly so as it applies to the management of attaché affairs.

Another Defense HUMINT change which I recommend concerns chain of command. I believe that attaches should be assigned to the theater commanders (CINCs). There are at least three arguments which make this attractive. The first is the CINC-Ambassador relationship. It is necessarily a close one if things work as they are meant to work. Although they operate in different arenas and with different

procedures and guidelines, their objectives in serving the national cause have much in common. They have a continuing rapport.

The attache serves them both. His prediction should be available to both through established communication practice, and the information collected which is vital and time-sensitive at the NSA level will get there just as fast and well-served if not faster in some cases--with this alignment as it does now through the DATT office of the DIA. Moreover, it will eliminate the CINCs sometimes being bypassed with valuable information or intelligence from this source.

The second advantage of this managerial change pertains to the very important representational aspects of the attache profession. It could be better served in my opinion if attaches were assigned to the Unified Commands.

The third advantage of this change would be that promotional equity should be enhanced. (Promotion boards pay a lot more attention to effectiveness ratings written or endorsed by a Unified Commander than they do to those of the DIA Attache Chief.)

The overall benefit here is the liberation of a requirement to be of high seniority in grade to qualify for the full spectrum of attache responsibility--and hence a step through proven performance toward bigger jobs in or out of intelligence specialties. Together with an enlightened attitude by service chiefs and promotion boards toward "intelligence types," this would do much to eliminate the unpopularity of intelligence (and especially attache) assignments on the part of ambitious and broadly talented officers.

10. SPECIALIZED COLLECTION RESOURCES.

By and large these should be operated and managed by the military services, with overall policy and operational control being exercised by the ASD (I).

11. ANALYSIS AND ESTIMATES.

g. Officer manning of DIA. Improving the quality of the product will improve respect and regard for the DIA. It is possible -- even probable -- that increasing emphasis on getting "better" people assigned to DIA will be counterproductive, as it tends to deemphasize searching for management arrangements that reduce frustrations, bureaucratic procedural nonsense and similar ailments that reduce the viability of any organization, including the DIA. This is not a chicken-and-egg situation in my view.

To these issues I would add the following:

a. Achieving a better balance in the Intelligence Community.

A great deal of effort goes into hardware and into what the community terms "bean counting", i.e. data base correction, and not enough into supporting tactical commanders. Technical intelligence is largely consumed within the intelligence community. The emphasis on tactical application and tactical priority of intelligence collection, analysis and distribution should be increased relative to that given technical application. When new systems are being considered, and older systems being updated, tactical needs must be ascertained and exploitation and timeliness of product must be assessed most carefully in order that the total system is responsive to tactical needs.

At the close of our last meeting you asked, "What kind of a job does military intelligence do to be responsive to SecDef? Can DIA be structured to do that kind of job?". You spoke of the need for improving professionalism of the operation, asked what kind of product was needed and how responsive should it be. These views are submitted in response to those questions.

I am attaching to this letter a "Statement of Surveillance Requirements for Fleet Tactical Support", which I prepared for use in improving the understanding of National level sensor system authorities of fleet needs. It describes more specifically some of the views expressed above.

Very respectfully,



David Richardson

[Attachment]

MSP:

Attachment is properly classified, per EO 11652, due to the intelligence sources and methods described in the contents of the enclosure, thus exempt per 5 USC (1) classification and (3) sources and methods.

This is a big subject to sort out with respect to SIA-service relationships. I have already made a few comments and recommendations which touch on it, but need to think it further before feeling qualified to offer even general recommendations regarding who should do what and how.

A few broad observations are, however, in order. The first concerns tactical warning. Most Unified and Component Commanders have an indisputably vital need for tactical intelligence. It needs to be as near real-time as possible, and much of it is of a specialized nature as regards air, ground, and naval operations. It is impossible to meet these needs without an appreciable structure of interpreters, analysts, specialized equipment, and resource controls directly under the supervision and control of the commanders concerned. Direct readout, for example, of certain sources of tactical intelligence is vital to the commanders of nuclear strike forces. They cannot wait for layers of analysts under somebody else's control to produce estimates that are fed back to them through the bureaucratic or reverse-flow command processes. This is not to say, parenthetically, that improvements could not be made in the organization of the command structure for nuclear forces which would obviate some duplication of these vitalities, but the fact remains that each such commander in the established system needs it.

I believe that the cutbacks in recent years in intelligence resources (primarily technical specialists) has been borne too heavily at the grass roots levels where this type of intelligence must be generated. This is dangerous, and apportionment of resources for tactical intelligence needs attention.

Another broad observation concerns the requirement for precision at the top. As noted earlier, the NSA requires good intelligence and it must cover the "waterfall" subjectively. However, I would doubt that the amount of detail must be as voluminous as has traditionally existed in modern times--nor that the quantities of specialist

reviewing of decentralized production is stimulated and improved. The latest manpower data for DIA, NSA/HIC, RCSI, and AFM do not reflect (at the Washington level) the kind of decentralizing trend that I believe to be appropriate--especially in basic production.

12. SUMMARY OBSERVATIONS AND CONCLUSIONS.

a. The Director, DIA and other top defense intelligence chiefs should not be selected under a primary requirement of long experience as an intelligence specialist. A balance at the top echelons of successful command or operational management experience, in association with immediate staff specialists of extensive intelligence experience, is the best combination.

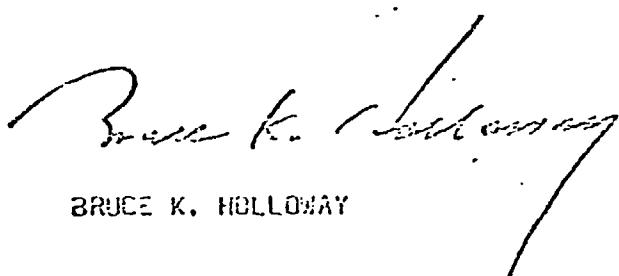
b. The management of defense intelligence production is overcentralized. A long-term plan for decentralization of much of the production and certain resource management responsibilities should be accomplished. Generally speaking, tactical intelligence and S&T should be given priority attention in this effort, and also generally speaking DIA should provide policy, contingency direction, and requirements management.

c. In the process of decentralization of production, to include warning and estimates (and without losing necessary control of procedure and requirements), the principles of executive agency, counterpart producer, and closer top-level coordination should be given prime consideration.

d. NSA should perform primarily collection of SIGINT and COMINT, and associated deciphering and basic interpretation. Analysis should not be an NSA function.

e. The Defense Attache System should be overhauled. The policy that the OATT must be the senior attache assigned to the station should be eliminated; and attach officers should be assigned directly to the Theatre Commander concerned rather than a central administrative office under the DIA.

- f. Generally speaking, the military services should operate specialized intelligence collection resources.
- g. The arrangement of the Director, DIA being also J-2 of the Joint Staff is outstanding. It should not be changed.
- h. The revitalization of the Defense Intelligence Board under General Gruber and the manner of conducting its business free of cumbersome detail--is great. This is a real contribution to better intelligence management.
- i. Tactical Warning is a requirement which must be supported by intelligence specialists in threat analysis and estimates. It must be under the direct control of the commanders involved. Recent intelligence manpower cuts have reduced these resources to a dangerously low point.



BRUCE K. HOLLOWAY

Dr. William J. Perry
President
Electromagnetic Systems Laboratory
495 Java Drive
Sunnyvale, California 94086

Honorable Albert C. Hall
Assistant Secretary of Defense (Intelligence)
Department of Defense

Dear Al:

As I see it, the principal issue confronting defense intelligence today is how to make marked improvements in the quality of the intelligence product within the obvious constraints on funding. I believe that the collection program is generally in good shape and in particular, the recent generation of exotic technical sensors are doing an outstanding job. The analytical and interpretative effort on the other hand has fallen far behind to the detriment of the ultimate product. I believe that truly significant improvements can be made in our intelligence analysis program by a determined effort in three areas:

1. Improving professional standards
2. Improving organizational structure, and
3. Improving techniques

I will comment briefly on each of these.

1. Improving Professional Standards

I believe that five specific steps should be taken to improve the professional standards of Defense intelligence analysts.

a. Establish a M.S. program in technical intelligence analysis to supplement the M.A. programs at Monterey Naval Postgraduate School and the Defense Intelligence School. There could be two such programs; one at Monterey specializing in Computer Analysis of Signal Data and Analysis of Electronic Systems; and one at the Air Force Institute of Technology specializing in Telemetry Analysis and Analysis of Aerospace Systems. Both programs should be open to civilians and to officers of all Services. I also suspect that a reappraisal of curricula and academic standards may be in order for the existing programs.

b. Improve career opportunities for civilians and officers in the intelligence analysis field. Al Flex has already made specific suggestions on ways of accomplishing this.

c. Exempt DIA from Civil Service regulations, as has been done with NSA.

d. Establish a civilian Deputy Director in DIA. This Deputy could be specifically responsible for Defense intelligence analysis.

e. Nurture an unequivocal commitment to objectivity of analysis within DIA.

2. Improving Organizational Structure

a. Establish an organizational relation between DIA and the Service intelligence agencies (FTD, e.g.) like the relation between NSA and the Service cryptologic agencies.

b. Broaden the role of the Service Cryptologic Agencies to include ELINT and Electronic Warfare (as now exists at ASA). These aspects of their charter would be under the cognizance of the Services while their SIGINT activities would remain under the cognizance of NSA.

3. Improving Efficiency

a. A considerable improvement in analysis effectiveness can be achieved by making much broader use of the computer as an analysis tool. Generally the computer is already being well employed by the technical analyst as a computation tool and in signal analysis. The general intelligence analyst, however, is making relatively little use of the computer and the potential for improvement is enormous. The applications are unglamorous but powerful: data storage and retrieval; automatic indicators of a change of state in collected data; synthesis and comparison of data from diverse sources; and computer-assisted report writing.

b. A considerable improvement should be made in communicating the results of analysis and interpretation and in determining the needs of consumers. Bill Beecher has addressed this issue eloquently and made a number of excellent recommendations.

I hope these ideas are of some help to you. I will be happy to elaborate on any of them as you desire.

Sincerely,

William J. Perry

CONFIDENTIAL - SECURITY INFORMATION
WASHINGTON, D.C. 20330

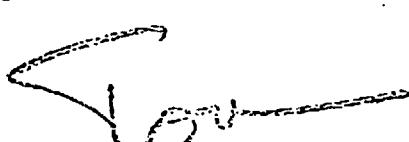
December 12, 1973

MEMORANDUM FOR DR. HALL, ASD(I) *1/1*

SUBJECT: Issues for Defense Panel on Intelligence

I would like to comment on four issues this month:

1. Qualified Personnel - My investigations confirm your presentation on the quality of people assigned to DIA. That is partly a DIA problem (attachment A) and partly a problem afflicting all defense agencies (attachment B).
2. Communicating Intelligence Output - Bill Beecher has outlined the problem very well. The SecDef might wish to consider an assistant from the world of journalism or equivalent to help him put intelligence in perspective while not interfering with DIAs proper role (see attachment C).
3. Compartmentalization vs. Real Time Needs - The committee seems to be in agreement that action is necessary, but some recommendations are attached (attachment D).
4. COMSEC vs. SIGINT - Our operators' desire to provide COMSEC to friends and allies runs afoul of the SIGINT community. The need to develop some policy in this regard might be considered in January.


Thomas C. Reed

4 Attachments

Qualified Intelligence Personnel (Military)

Problem - The intelligence community does not appear to get its fair share of the best qualified officers.

Discussion

Qualification within the intelligence field is obtained by participating in a well designed career development pattern with good balance between a variety of intelligence assignments and attendance at specialized schools both Service and civilian. The caliber of officers within the intelligence field, in relation to other officers in the Service, can generally be determined by observing their rate of promotion and their selection for Service schools.

An analysis of these criteria indicates that the intelligence community does not get its fair share of the best qualified officers in the senior grades, and none of the services has sufficient career trained O-6s and up to fill their most critical intelligence requirements.

Recommendation

1. Military departments should be directed to initiate programs to assure that colonels/captains and general/admirals are thoroughly trained in Service Intelligence career fields and that promotion quotas are provided to the career trained officers to fill the important positions. Current practice of placing untrained officers in these positions should be stopped.
2. OSD should establish a panel chaired by DIA to make a detailed evaluation of the Intelligence career development pattern in the Services and recommend minimum standards required to assure qualified senior officers are available to fill joint billets.
3. Navy and Air Force Intelligence officers should be provided a fair share of Senior Service School selection and Senior Joint Intelligence positions should require this schooling. (Army appears to be doing this.)

Qualified Military Personnel for Defense Agencies

Problem - The Services generally do not seem willing or able to assign their more talented officers to defense agencies such as DIA.

Discussion

Analysis by the Defense Intelligence Panel staff shows that promotion and selection for schooling are generally lower in DIA than in the Services as a whole. A similar analysis performed by a subcommittee of the House Armed Services Committee a few years ago revealed the same problem then within DCA.

In the case of communicators a solution has been to show young officers a visible route to flag rank within their specialty and to adopt a "positive action" program to upgrade their technical skills.

On the other hand, turbulence and an attempt to over-diversify some officers may have been counter-productive.

Conclusions

1. The ASD/M&RA should examine what penalties and incentives can be imposed on the Services to insure at least pro-rata assignment of good officers to joint duty. (No flag rank without a "purple suit" tour?)
2. The Services should consider a policy of careers with a "major" combat specialty and a well identified "minor" in which an officer becomes proficient: communications, intelligence, nuclear weapons, ADP, the Mid East, etc. The "minor" should not become diversified short of flag rank.

Communicating Intelligence Output

Problem - A meaningful analysis of intelligence data rarely makes its way into the consciousness of our key decision-making customers.

Discussion

Almost all of our customers are turned off by "snippets of information without perspective" and "briefings from a script." This is not a new problem in modern society. Weekly newsmagazines grew up to meet the need for a perspective on the daily torrent of news. If there is a real crisis, the leadership may well turn to CBS or the Washington Post for the quickest and best analysis of all but hard SIGINT/PHOTINT data. Beecher has detailed this problem very well.

When it comes to analyzing essentially political news (What is Sadat up to? Will the embargo work?) should military intelligence specialist really be doing the analysis? Or are they out of their field?

Conclusion

We might try a variant of Beecher's "wise men," namely a staff assistant to the SecDef and DepSecDef with the following attributes:

1. ATSD, GS-18 NEA rank with no staff except a military assistant drawn from DIA and a secretary.
2. Successful journalism, analytic, or political background.
3. No resource management, action officer responsibility. Only duty to listen, read, sort, appraise, and brief the SecDef, perhaps in lieu of the military assistant doing so as at present, but with the latter present.
4. Authority to task DIA and to add specialists in the event of a crisis. A responsibility to provide feedback on SecDef interests to DIA.
5. Not a roadblock to DCI, Dir. DIA, or ASD(I).
6. Authorized to establish non-governmental sources. (Example: oil production and transport executives in the event of an embargo; bankers if an economic crisis.)

Compartmentalization vs. Real Time Needs

Problem - The "green door" will create some very critical C³ problem in the next few years. Operators don't know how to ask the right questions. Automatic systems are precluded from direct interaction. Options require real-time tasking of intelligence assets.

Discussion

The current system of compartmentalization places an emphasis on protection of sources that may not be warranted, especially in a crisis. Sources must be protected, and the problems of multi-level security in ADP/telecom systems means that separate channels may be necessary. But limited releases, slow distribution, "spoon feeding" of users, all delay command center operations. Intelligence should be produced for use in decision-making, not remote historical records.

Conclusions

1. National policy on safeguards at the operations interface should be re-examined on a system-by-system basis.
2. Users, and the CINCs in particular, should have a voice in tasking the intelligence assets.
3. Data should be distributed to them in real time.
4. R&D in ADP/telecommunications multi-level security should be vigorously supported.

12 DEC 1974

Dr. Albert C. Hall
Assistant Secretary of Defense
(Intelligence)
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Dear Al:

My purpose in writing this letter is to set forth some views regarding our Intelligence Panel discussions thus far in the hope that they will be of use in our further considerations.

I think it is possible to enunciate some general propositions of fundamental nature regarding intelligence. We are all concerned regarding production and distribution of intelligence which is not of use in arriving at decisions, hence is an impediment in that it imposes delay and diversion of attention. These general propositions are useful in my view in identifying most needed intelligence, among other things, and, consequently, in prioritizing intelligence collection and distribution. I have in mind time sensitive intelligence, however, the views are also pertinent in considering the issues circulated in your letter of 8 November.

The quality and utility of intelligence is very dependent on the attitudes and outlook of the Commander being served, and how he uses intelligence in his day-to-day conduct of affairs. The functioning of the intelligence organization depends upon achieving a close association and intimate relationship between the intelligence structure and those dependent upon intelligence in exercising command and management at all levels in order to perform their tasks efficiently. When this relationship exists, the exchange of information that helps identify intelligence needs on the one hand and its availability on the other substantially improves the performance both of "operators" and those charged with providing intelligence. Without this exchange, the intelligence officer and his organizational support find it quite difficult to target resources to greatest advantage and to identify needed intelligence.

Those charged with management of our day-to-day affairs of military significance are concerned with a continuous assessment of the significance of unfolding events that relate to their force posture.

Those charged with collection, analysis and presentation of information for this assessment must be knowledgeable not only regarding the specific concerns of "management", or "Command", but also of the possible uses that might be made of the information when provided. Such decisions as collection tasking, priorities of coverage and treatment (full, assessed or relatively raw) of needed information are dependent upon fully understanding the customer needs. In this regard, a guideline question is, "What is the character of change taking place and what do these changes portend?"

Responsible commanders of military forces continuously conduct analytical efforts (not always sufficiently formalized or emphasized) to discern changes in normal patterns of operations by potentially hostile forces that portend heightened danger, in order to initiate appropriate operational responses, including augmentation of surveillance [functional-level sensors] are often capable of collecting vitally important information, not all of it necessarily urgent, that is of great value to force commanders. The uses to be made of this intelligence include a variety of operational responses that are in general quite definable and include force positioning, alert and warning and cover, deception and jamming, in exercising a degree of control of the electronic environment in order that a commander can avoid disaster in a surprise situation and transition to active combat in good condition.

Thus the second rhetorical question, "What are the targets?" Analytical efforts continuously conducted by force commanders also underlie derivation of targets, assignment of target priorities and determination of character and scale of strike effort required at the outset of an outbreak of hostilities. Quite obviously, a force's survivability is dependent upon wise, quick and effective initial action. Obviously, commanders must think through in advance the situations they may face. They cannot respond to best advantage by innovation under pressure of events.

Three corollaries derive from the above. One is that the intelligence function is not complete with the delivery of information. Rather, it must be viewed as being interactive with other factors, such as conditions of readiness and character of activity of own forces, directives from higher authority and specific sets of possible responses available to the commander, including deception, jamming and weapons.

applications; all of which must be correlated, processed and displayed for command decision. The adequacy of intelligence with respect to coverage, content and timeliness can only be gauged in the light of the use that is to be made of it.

Secondly, as essential to wise action as adequate intelligence is, it must nonetheless remain supportive. Organizational arrangements that tend to undermine the authority of commanders of forces by isolating the intelligence community or by erecting administrative barriers that set intelligence officers apart from others involved in providing staff support are disadvantageous. It is essential that the integrity of command be preserved. In this regard assessments of the adequacy of intelligence functioning is a command function, although not necessarily exclusively so.

Finally, special security restrictions must be most carefully considered in the light of customer needs since they often inhibit a commander's ability to discharge his responsibilities.

Quite specifically, the commanders of our forces at sea and in the field and their Soviet counterparts are each constrained, as they go about their normal duties, by the presence and activity of the other. Consideration of how one would respond to the initiatives of the other is a never-ending discharge of command responsibility. Tentative planning occurs daily, some of which is formalized on paper and exercised in training operations, some for a variety of reasons is not exercised, and some exists as exchanges of views and verbal expressions of intentions.

We all know how difficult it is to assess correctly in the middle of a night under the pressures of a quickly developing situation. If we have not thought through in advance what we might face, and how we might react, and if we do not surveil in ways that enable us to be alert in time, then our prospects for success are dim, indeed. Our responses to another's initiatives may be "from the hip" as measured by timeliness, but it must not be that at all by every other measure.

Combat management has its origins in comparative analyses conducted in the cool light of day, and its currency in assessing the nature of changes taking place as revealed through surveillance continuously conducted. Our responses vary from increasing watchfulness at one end of the scale to actual encounters with weapons at the other.

I believe that management of our political affairs is rather similarly dependent upon intelligence, and that the character of intelligence provided and its timeliness -- in other words, the quality of intelligence support -- can best be determined by identification of political "options" that are thought useful in response to developing events.

The SecDef's responsibility relative to military intelligence can be broadly summarized as twofold:

a. Assurance that commanders of forces are adequately supported by a functioning intelligence organization in order that they can discharge the responsibilities assigned them to greatest advantage, and

b. Function as required by law to greatest advantage as the agent of the President exercising control of military forces, including the provision of advice in connection therewith.

We are familiar with developments associated with the creation and subsequent functioning of the DIA. Certain difficulties may have arisen because the interrelationship and interdependence of the commander and his intelligence supporting structure may not have been fully appreciated. My own experience as a commander of deployed forces, including the complaints relative to the DIA expressed by others similarly situated, have centered on the institutional inability of the Agency to provide other than intelligence for background and data base purposes. Yet, quite obviously, unnecessary duplication must be avoided in the overall interest, and the DIA can be effective in that regard. High cost "national" level sensor systems have unique collection capabilities of great significance to tactical commanders. Some of these systems could have been even more productive tactically had specific tactical needs been known when in design. DIA can be effective in this area. While the quality of intelligence support rendered commanders of forces may be best judged in some respects by the appropriate commanders, as noted earlier, in other respects it must be judged by intelligence community authority itself, particularly with regard to the competence of intelligence personnel as professionals, and with respect to the functioning of the overall community in its many interrelationships. It would seem that the DIA is the agency to continually assess this aspect of intelligence functioning in order that the ASD(I) can assure the SecDef in this vital aspect of military force effectiveness.

Thus, the proper functioning of the DIA in providing advice to SecDef should include advising regarding the adequacy in all respects of intelligence support rendered the military services and military forces. It does not necessarily follow that the DIA should be the primary agent in assisting the SecDef in discharging tasks as above, because of the necessity to preserve the responsibility -- and accountability -- of command. Nevertheless, if the Chiefs of the military services intelligence organizations were also assigned as Deputy Directors of the DIA, a mechanism would exist for dealing more advantageously with the many interfaces between forces, services and the DIA. In particular, since the Service Chiefs of Intelligence are in general expert in their knowledge of detailed intelligence needs of service forces, a mechanism would exist for improving the functioning of the DIA and the entire intelligence community in supporting forces in the field and at sea. A mechanism would exist that would improve DIA capabilities in providing advice to ASD(I) regarding priorities in connection with management decisions affecting the intelligence community.

To summarize, we are dealing with constant change, including changes in our own responses to anticipated events. Trends in technology will increase our vulnerabilities and decrease the time available to structure responses. Intelligence can keep us apprised of current developments and what they portend, and suggest to us the character and utility of many of the responses that developments might demand. Definition of these "options" by management and by commanders of forces in advance of necessities to respond enable the intelligence agencies to perform more efficiently. Force effectiveness in combat and as a deterrent to an outbreak of combat is especially dependent upon maximizing the unique contributions that intelligence can make. When forces are reduced because of fund limitations, intelligence assumes an even more critical role. By thinking through in advance the specific responses we may wish to make, based largely on our study of intelligence, we provide definitive guidance regarding intelligence collection and prioritization, and at the same time enable ourselves to handle more advantageously the "surprise", or unforeseen, situations that occasionally occur. In all these matters the carefully nurtured flow of information between management and the intelligence community greatly enhances the effectiveness of both, and this last state of affairs is so fundamental to success that constant attention must be given to assuring its preservation. Although this discussion centers mainly on military intelligence exploitation, the basic ideas and principles are applicable in political

and politico/military areas. And, finally, shortcomings in intelligence likely also reflect weaknesses in the existing relationship, organizationally, or otherwise, between management and the intelligence community.

I have also reviewed the "Issue Paper" circulated by your letter of November 8th, and offer the following comments:

a. Product utility. Concur in service view. I doubt that DIA could or should attempt to tailor products to service needs in many cases when very detailed specifics are required, as for equipment design. This issue must be looked at on a case-by-case basis. It does not follow that duplication need result.

b. S&T intelligence. The above comments are germane. Rigid attitudes by DIA and the services must be avoided. If the DIA product is not satisfactory, why continue that specific endeavor? Would augmentation by the services make it acceptable? In many cases analysis is by contract to industry. "Raw" data is often quite significant to producers of equipment. Arrangements should permit such access when there is a need. The "enemy" in this case is too much preoccupation with organizational responsibilities and too little improvisation to produce results. Proper exercise of management involves searching out problem areas, surfacing them for higher level resolution.

c. Resources management. No comment.

d. DIA as J-2. This arrangement is not good. The DIA and the service intelligence organizations should provide support to an independent J-2, with DIA being responsible for effecting the necessary coordination. I see no reason why J-2 need have a large staff, nor why many routine intelligence staff functions should not be performed by the DIA for the J-2.

e. Collection management. Concur with service view. Again, a more resilient attitude by DIA regarding its responsibilities in collection management should permit the objective being met without imposition of so much "management".

f. Attache system. My considerable experience with attaches as Commander, Sixth Fleet for two years (August 1968- August 1971) led me to believe that the Unified Defense Attache system should be rescinded. It creates more problems than it solves.